

**INDEPENDENT AUDITORS' REPORT ON
THE FINANCIAL STATEMENTS
OF
WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
JUNE 30, 2005**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2-15-06

CONTENTS

	Page	Schedule
Required Supplementary Information:		
Management's Discussion and Analysis.....	2 - 5	
Independent Auditors' Report on the Financial Statements.....	6	
Basic Financial Statements:		
Proprietary Fund - Enterprise Fund:		
Statement of Net Assets	7	
Statement of Revenues, Expenses and		
Changes in Net Assets.....	8	
Statement of Cash (and Equivalents) Flows.....	9	
Notes to the Financial Statements.....	10 - 17	
Independent Auditors' Report on Compliance and on Internal Control		
Over Financial Reporting Based on an Audit of		
Financial Statements Performed in Accordance		
with <i>Government Auditing Standards</i>	18	
Supplemental Information Schedules:.....	19	
Summary Schedule of Findings and Questioned Costs.....	20	
Summary Schedule of Prior Year Findings.....	21	1
Corrective Action Plan for Current Year Audit Findings.....	22	2
Management Letter.....	23-24	

**WEST CALCASIEU PARISH
COMMUNITY CENTER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2005**

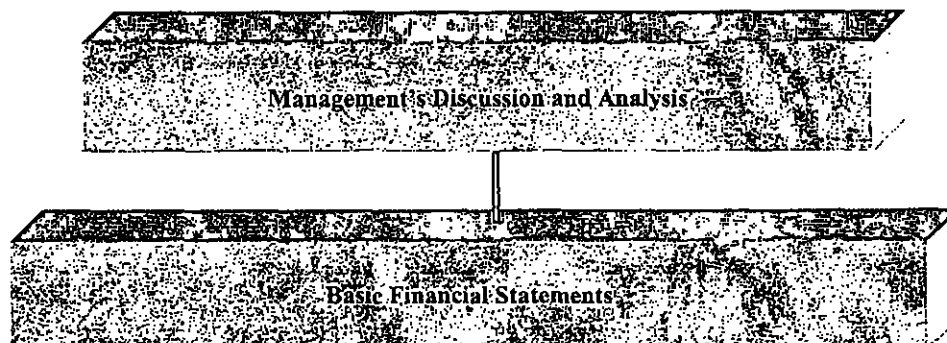
The Management's Discussion and Analysis of the West Calcasieu Parish Community Center Authority's financial performance presents a narrative overview and analysis of the Authority's financial activities for the year ended June 30, 2005. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the additional information contained in the financial statements.

FINANCIAL HIGHLIGHTS

- The Authority's assets exceeded its liabilities at the close of the fiscal year 2005 by \$7,479,987. Of this amount, \$4,185,520 (unrestricted net assets) may be used to meet the Authority's ongoing obligations to its users.
- The changes in net assets decreased by \$34,485, resulting from a decrease of \$761,059 in capital contributions from the State of Louisiana and \$191,179 in capital contributions from the City of Sulphur, and an increase of \$950,547 in hotel/motel tax revenues.
- This year included facility revenues of \$41,141 and concession revenues of \$22,427, with operating expenses increasing by \$158,199.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business Type Activities established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.



These financial statements consist of two sections: Management's Discussion and Analysis (this section) and the basic financial statements (including the notes to the financial statements).

**WEST CALCASIEU PARISH
COMMUNITY CENTER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2005**

Basic Financial Statements

The basic financial statements present information for the Authority as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Assets; the Statement of Revenues, Expenses, and Changes in Net Assets; and the Statement of Cash Flows.

The Statement of Net Assets (page 7) presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Assets (page 8) presents information showing how the Authority's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statement of Cash Flow (pages 9) presents information showing how the Authority's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (*indirect method*) as required by GASB 34.

FINANCIAL ANALYSIS OF THE ENTITY

	<u>06/04</u>	<u>06/05</u>
Current and other assets	\$ 4,234,477	\$ 4,217,659
Restricted Assets	398,125	167,597
Capital assets	4,701,122	6,121,870
Total Assets	\$ 9,333,724	\$ 10,507,126
Other Liabilities	\$ 387,524	\$ 397,139
Long-term debts outstanding	2,995,000	2,630,000
Total Liabilities	\$ 3,382,524	\$ 3,027,139
Net Assets:		
Capital Assets- Net of Related Debt	\$ 1,351,122	\$ 3,126,870
Restricted	398,125	167,597
Unrestricted	4,201,953	4,185,520
Total Net Assets	\$ 5,951,200	\$ 7,479,987
Hotel/Motel Tax Revenue	\$ 349,453	\$1,300,000
Capital Contributions	1,337,605	385,367
Burton Tax	100,000	100,000
Interest Income	49,050	95,432
Facility Revenue	-	41,141
Concession Revenues	-	22,427
Total Revenue	\$ 1,836,108	\$ 1,944,367

**WEST CALCASIEU PARISH
COMMUNITY CENTER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2005**

	<u>06/04</u>	<u>06/05</u>
Operating Revenues	\$ 398,503	\$ 1,363,568
Operating (Expenses)	(97,826)	(256,025)
Net Operating Income/(Loss)	300,677	1,107,543
Non-operating Revenues	100,000	195,432
Non-operating (Expenses)	(175,010)	(159,555)
Net Non-operating Income/(Loss)	225,667	35,877
Capital Contributions	1,337,605	385,367
Net Increase/(Decrease) In Net Assets	<u>\$ 1,563,272</u>	<u>\$ 1,528,787</u>

The overall financial position of the Authority improved in the year, primarily due to the receipt of additional hotel/motel tax revenue and revenue generated from the facility to help off set some of the costs associated with the operations of the arena.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2005, the Authority had \$6,121,870 in capital assets, net of accumulated depreciation. (See Table Below). This amount represents a net increase (including additions and deductions) of \$1,420,748 over last year.

	<u>06/04</u>	<u>06/05</u>
Construction in Progress	\$ 3,604,774	\$ 522,205
Land	828,901	828,901
Buildings	-	4,310,684
Land Improvements	238,508	301,208
Furniture and Equipment	11,636	198,799
Vehicle	26,699	26,699
Less Accumulated Depreciation	<u><9,396></u>	<u><66,626></u>
Totals	<u>\$ 4,701,122</u>	<u>\$ 6,121,870</u>

This year's Major Capital additions included above were:

Completion of outdoor multipurpose arena	\$ 4,310,684
Construction in progress (stall barn project)	\$ 522,205
Arena furniture and equipment	\$ 187,163

As of June 30, 2005, the total contracted amount, with change orders, for the stall barn project was \$731,072 of which \$ 475,264 had been paid.

Debt Administration

The long-term debt balance decreased \$355,000 as principal was paid on the excess revenue bonds, decreasing the balance from \$3,350,000 to \$2,995,000 in the current year.

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide our citizens, customers, and creditors with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Adrian Moreno, West Calcasieu Parish Community Center Authority.

McMullen and Mancuso
Certified Public Accountants, LLC
P.O. Box 202

Lisa F. McMullen, CPA
Pamela C. Mancuso, CPA

3600 Maplewood Drive
Sulphur, Louisiana 70668

Telephone (337) 625-5054
Fax (337) 625-5849

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

To the Board
West Calcasieu Community Center Authority
Sulphur, Louisiana

We have audited the accompanying financial statements of West Calcasieu Parish Community Center Authority, a component unit of the State of Louisiana as of and for the year ended June 30, 2005, as listed in the table of contents. These financial statements are the responsibility of the West Calcasieu Parish Community Center and Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

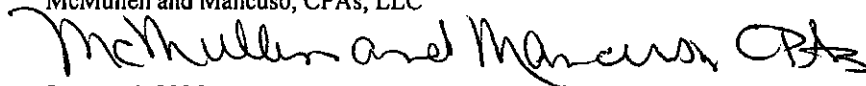
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the West Calcasieu Parish Center Authority as of June 30, 2005 and results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the financial statements, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 34 *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments*. This results in a change in the format and content of the financial statements as June 30, 2005.

The Management's Discussion and Analysis and supplemental information schedules on pages 2 through 5 are not a required part of the financial statements but are supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 4, 2006 on our consideration of West Calcasieu Parish Community Center Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of the audit.

McMullen and Mancuso, CPAs, LLC



January 4, 2006

WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA
STATEMENT OF NET ASSETS
June 30, 2005

Assets		
Current Assets:		
Cash and Cash Equivalents (Note 2)	\$ 1,776,721	
Investments (Note 3)	2,043,335	
Grant Receivable	74,433	
Taxes Receivable	259,711	
Prepaid Insurance	15,592	
Concession Inventory	<u>4,444</u>	
Total Current Assets		4,174,236
Restricted Assets:		
Cash and Cash Equivalents - Restricted (Note 4)		167,597
Property and Equipment:		
Building	4,310,684	
Construction in Progress	522,205	
Land	828,901	
Land Improvements	301,208	
Office Furniture and Equipment	198,799	
Vehicle	26,699	
Less Accumulated Depreciation,	<u>(66,626)</u>	
Net Property and Equipment		6,121,870
Other Assets:		
Other Bond Issue Costs (net of \$20,263 amortization)		<u>43,423</u>
Total Assets		<u>\$ 10,507,126</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Current Liabilities (Payable from Current Assets):

Accounts Payable	\$ 2,022	
Payroll Taxes Payable	4,384	
Sales Taxes Payable	102	
Accrued Leave (Note 5)	<u>2,545</u>	
Total Current Liabilities Payable from Current Assets		9,053

Current Liabilities (Payable from Restricted Assets):

Interest Payable - Bonds	23,086	
Bonds Payable - Current (Note 7)	<u>365,000</u>	
Total Current Liabilities Payable from Restricted Assets		388,086

Bonds Payable - Long-Term (Note 7)

	<u>2,630,000</u>	
Total Liabilities		3,027,139

NET ASSETS

Invested in Capital Assets, net of related debt	3,126,870	
Restricted for Construction Costs	10,796	
Restricted for Debt Service	156,801	
Unrestricted	<u>4,185,520</u>	
Total Net Assets		<u>7,479,987</u>
Total Liabilities and Net Assets		<u>\$ 10,507,126</u>

See Accompanying Notes to Financial Statements

WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS
For the Fiscal Year Ended June 30, 2005

Operating Revenues:

Taxes - Hotel/Motel	\$ 1,300,000	
Facility Revenues	41,141	
Concession Revenues	<u>22,427</u>	
Total Operating Revenues		\$ 1,363,568

Operating Expenses:

Advertising and Promotions	17,420	
Communications	5,621	
Cost of Sales - Concessions	16,009	
Depreciation	57,230	
Dues and Subscriptions	2,208	
Insurance	18,347	
Maintenance of Property and Equipment	6,960	
Other Expenses	885	
Payroll and Related Benefits	88,339	
Professional Fees	10,134	
Rentals	2,108	
Supplies	8,508	
Training and Safety	1,231	
Transportation, Lodging and Meals	8,913	
Utilities	<u>12,112</u>	
Total Operating Expenses		<u>256,025</u>
Operating Income (Loss)		1,107,543

Nonoperating Revenues (Expenses):

Intergovernmental - Parish Revenue	100,000	
Amortization Expense	(6,354)	
Interest Expense - Bonds	(152,201)	
Interest Income	95,432	
Bond Paying Agent Fee	<u>(1,000)</u>	
Total Nonoperating Revenues (Expenses)		<u>35,877</u>
Income Before Contributions		1,143,420
State of Louisiana Capital Contributions		<u>385,367</u>
Change in Net Assets		1,528,787
Net Assets - July 1, 2004		<u>5,951,200</u>
Net Assets - June 30, 2005		<u>\$ 7,479,987</u>

See Accompanying Notes to Financial Statements

WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA
STATEMENT OF CASH (AND EQUIVALENTS) FLOWS
For the Fiscal Year Ended June 30, 2005

Cash flows from operating activities:	
Taxes received	\$ 1,199,676
Receipts from customers	63,568
Payments for goods and services	(131,597)
Payments to employees for services	<u>(84,882)</u>
Net cash provided by operating activities	1,046,765
Cash flows from capital and related financing activities:	
Payments on building	(768,610)
Purchase of property and equipment	(187,163)
Payments on construction in progress	(522,205)
Debt service on bond	(509,938)
Paying agent fee	(1,000)
Reduction in restricted cash accounts-net	230,528
Capital outlay grant receipt	<u>405,419</u>
Net cash used by capital and related financing activities	(1,352,969)
Cash flows from non-capital financing activities:	
Receipt of intergovernmental-parish	<u>100,000</u>
Net cash provided by non-capital financing activity	100,000
Cash flows from investing activities:	
Purchase of investments	(43,335)
Interest income	<u>102,980</u>
Net cash provided by investing activities	59,645
Net increase (decrease) in cash and cash equivalents	(146,559)
Cash equivalents at beginning of year	1,923,280
Cash equivalents at end of year	<u><u>\$ 1,776,721</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ 1,107,543
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	57,230
Increase in taxes receivable	(100,324)
Increase in prepaid insurance	(15,592)
Increase in inventory	(4,444)
Increase in sales tax payable	102
Decrease in accounts payable	(666)
Increase in payroll taxes payable	2,990
Increase in accrued leave	467
Decrease in credit card payable	<u>(541)</u>
Total Adjustments	<u>(60,778)</u>
Net cash provided (used) by operating activities	<u><u>\$ 1,046,765</u></u>

See Accompanying Notes to Financial Statements

**WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
As of and for the year ended June 30, 2005**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

This report includes all funds that are controlled by or dependent on the Board. Control by or dependence on the Board was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body and other general oversight responsibility.

B. Fund Accounting

The accounts of the Board are organized on the basis of a proprietary fund which is considered a separate accounting entity or enterprise fund. Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses, incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

C. Basis of Accounting

The Board has implemented GASB 34 *Basic Financial Statements – and Management’s Discussion and Analysis – For State and Local Governments*.

The District’s statements of net assets and revenues, expenses, and changes in fund net assets are presented using the economic resources measurement focus and the accrual basis of accounting. The revenues are recognized when they are earned, and expenses are recognized when incurred.

GASB No. 20 requires that governments’ proprietary activities apply all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (“FASB”) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins. Governments are given the option whether or not to apply all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements. The District has elected not to implement FASB Statements and Interpretations issued after November 30, 1989.

D. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Authority may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

E. Investments

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the Authority’s investment policy. If the original maturities of the investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
As of and for the year ended June 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Capital Assets

All capital assets are recorded at cost and updated for additions and retirements during the year. Depreciation of all exhaustible fixed assets is charged as an expense against operations. Land and construction in progress are not depreciated. The Authority maintains a capitalization threshold of \$250. The Authority does not possess any infrastructure. Interest costs incurred during construction are not capitalized. Improvements are capitalized; the cost of normal maintenance and repairs that do not add value to the asset or materially extend the assets life are recorded as expenses. Donated assets are recorded at their estimated fair market value at the time of contribution. Depreciation is computed using the straight-line method over the estimated useful lives of the assets of five to forty years.

The following is a schedule of changes in fixed assets in the year:

	Beginning of Year	Additions	Deletions	End of Year
Building	\$ -	4,310,684	-	4,310,684
Land	828,901	-	-	828,901
Land Improvements	238,508	62,700	-	301,208
Vehicles	26,699	-	-	26,699
Office Furniture and Equipment	11,636	187,163	-	198,799
Construction in Progress	3,604,774	-	(3,082,569)	522,205
Totals	4,710,518	4,560,547	(3,082,569)	6,188,496
Accumulated Depreciation	(9,396)	(57,230)	-	(66,626)
Net	\$ 4,701,122	4,503,317	(3,082,569)	6,121,870

**WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
As of and for the year ended June 30, 2005**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Compensated Absences

The Authority has the following policy relating to vacation and sick leave:

Vacation

Each full-time employee shall be entitled to take vacation with pay in the following manner:

An employee of the Authority will earn one week's vacation after six (6) months from his/her hire date and it can be taken at the end of that period. After twelve (12) months service he/she is eligible for an additional week of vacation.

One year.....	2 weeks
More than three years.....	3 weeks
More than ten years.....	4 weeks
More than fifteen years.....	5 weeks
More than twenty years.....	6 weeks

Sick Leave

Sick leave shall be credited to regular employees at the rate of .0462 hours for each hour of work. Hours of work shall be defined as regular hours worked, holidays, and vacation time. (This is equivalent to eight (8) hours of sick leave per month.) This shall be granted to employees during the first year of continuous employment. After one year of continuous employment, the employee shall accumulate sick leave at the rate of .0692 hours for each hour of work. (This is equivalent to twelve (12) hours of sick leave per month.) After reaching a 600-hour plateau of accumulated sick leave, an employee will accumulate sick leave at a rate of .1154 hours for each hour of sick leave and other miscellaneous paid leave. (This is equivalent to twenty (20) hours of sick leave per month.) If an employee shall fall below the 600-hour plateau due to extended illness, employees shall still retain the benefit of accumulating sick leave at a rate of .1154 hours for each hour worked plus sick leave and other miscellaneous paid leave.

The Authority's recognition and measurement criteria for compensated absences is as follows:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the employees earn the benefits if both of the following conditions are met:

- a. The employees' rights to receive compensation are attributable to services already rendered.
- b. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

**WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
As of and for the year ended June 30, 2005**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Compensated Absences (Continued)

GASB Statement No. 16 provides that a liability for sick leave should be accrued using one of the following termination approaches:

- a. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
- b. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

H. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods and services. The commitments (purchase orders, contracts, and other commitments for the expenditures of funds) are not treated as expenditures until a liability for payment is incurred but are merely used to facilitate effective budget control and cash planning and management

I. Net Assets

Net assets present the difference between assets and liabilities in the statement of net assets. Net assets invested in capital assets are reduced by outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are legal limitations imposed on their use by Authority, legislation or external restrictions by creditors, grantors, laws or regulations of other governments. The Authority's policy is to first apply restricted resources when an expense is incurred for which both restricted and unrestricted net assets are available.

J. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

K. Inventory

Inventory is valued at the lower of cost (first-in, first-out) or market.

**WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
As of and for the year ended June 30, 2005**

NOTE 2 – CASH AND CASH EQUIVALENTS

At June 30, 2005, the Authority had cash and cash equivalents (book balances) totaling \$1,944,318 as follows:

Non interest-bearing demand deposits-current	\$ 100
Interest-bearing demand deposits - current	1,776,621
Interest-bearing demand deposits - restricted	<u>167,597</u>
Total	\$ <u>1,944,318</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on the with the fiscal agent.

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2005, the Authority had \$1,956,227 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance and \$1,856,227 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Authority that the fiscal agent has failed to pay deposited funds on demand.

Under state law, the Authority may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

NOTE 3 - INVESTMENTS

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the Authority's investment policy. Investments are reported at their fair value and are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the authority or its agent in the authority's name
2. Uninsured and unregistered, with securities held by the counter party's trust department or agent in the authority's name
3. Uninsured and unregistered, with securities held by the counter party, or by its trust department or agent but not in the authority's name

**WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
As of and for the year ended June 30, 2005**

NOTE 3 – INVESTMENTS (Continued)

At June 30, 2005, the Authority's investment balance was as follows:

Type of Investment	Category			Carrying Amount	
	1	2	3	Fair Value	Cost
Certificates of Deposit	\$ -	\$ -	\$ 2,043,335	\$ 2,043,335	\$ 2,000,000
Total investments				<u>\$ 2,043,335</u>	<u>\$ 2,000,000</u>

These investments are secured from risk by \$100,000 of federal deposit insurance and \$1,843,335 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

NOTE 4 - RESTRICTED CASH

The Authority has established an account to be utilized for construction costs of the facilities. As of June 30, 2005, the amount restricted was \$10,796.

Trust funds have been established to provide for the retirement of principal and interest on the bond. These funds are held with a paying agent on behalf of the Authority. The balance at June 30, 2005 was \$156,801.

NOTE 5 – COMPENSATED ABSENCES

At June 30, 2005, the employees of the Authority has accumulated and vested \$2,545 of employee leave benefits, which was computed in accordance with GASB Codification Section C60.

NOTE 6 - RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; injuries to employees, and natural disasters. The Authority has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur.

NOTE 7 – BONDS PAYABLE

The Authority issued \$4,000,000 in excess revenue bonds dated May 1, 2002, due in annual installments of \$320,000 - \$495,000 through May 1, 2012, plus interest at 4.625%. These certificates were issued for the purpose of providing a portion of the funds necessary to acquire and construct a multi-purpose arena and sports complex with all necessary equipment and furnishings.

**WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
As of and for the year ended June 30, 2005**

NOTE 7 – BONDS PAYABLE (Continued)

Annual debt service requirements to maturity for the excess revenue bonds as of June 30, 2005 are as follows:

Year Ending June 30,	Revenue Principal	Bonds Interest
2006	365,000	138,519
2007	385,000	121,638
2008	410,000	103,831
2009	425,000	84,868
2010	445,000	65,213
Thereafter	965,000	67,525
	<u>\$ 2,995,000</u>	<u>\$ 581,594</u>

Changes in bonds payable were as follows:

Bonds Payable - July 1, 2004	\$ 3,350,000
Bonds principal retired	<u>(355,000)</u>
Bonds Payable - June 30, 2005	<u>\$ 2,995,000</u>

NOTE 8 - RETIREMENT COMMITMENTS

The Authority does not provide retirement benefits. The employees of the Authority participate in the Social Security system and retirement benefits are provided by that system. The Authority is not responsible for any post-employment benefits. The Authority has only the usual obligations to make current matching payments to the social security system for active employees.

NOTE 9 - FLOW OF FUNDS; RESTRICTIONS ON USE

Under the terms of the bond resolution on outstanding excess revenue bonds dated May 1, 2002, all excess revenues are irrevocably pledged and dedicated, as well as those funds and monies budgeted, allocated, available, dedicated, set aside or otherwise to be utilized to fund or make debt service payments on the outstanding certificates. Pursuant to a Collection and Disbursement Contract by and between the Authority, and the State, through the Department of the Treasury (the "Treasury") and the Department (the "Department") of Revenue and Taxation, the Department agrees that, to the extent tax revenues are appropriated in each fiscal year by legislature as required by the Tax Act, it will transfer Tax Revenues from the West Calcasieu Parish Community Center Fund to the Revenue fund established by the Certificate Resolution with the Paying Agent / Registrar for the Certificate.

**WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
As of and for the year ended June 30, 2005**

NOTE 9 - FLOW OF FUNDS; RESTRICTIONS ON USE (Continued)

In order that the principal and interest of the Certificate will be paid in accordance with their terms and for other objects and purposes, the following special trust funds have been established, to be maintained and held by the Paying Agent / Registrar, for and on behalf of the holders of the certificates:

- (1) Series 2002 Excess Revenue Certificates of Indebtedness Fund (the "Revenue Fund"); and
- (2) Series 2002 Excess Revenue Certificates of Indebtedness Sinking Fund (the "Sinking Fund").

NOTE 10 - CAPITAL CONTRIBUTIONS

The Authority was the recipient of a State Capital Outlay Grant in 2002 Regular Session of the Louisiana Legislature to be used for the construction of a multi-purpose outdoor arena. The grant is a \$3,655,000 local match grant. Total state funding is \$2,000,000 including a non-cash line of credit of \$1,100,000. \$385,367 was received in the year ended June 30, 2005.

NOTE 11 - INTERGOVERNMENTAL REVENUE

The District entered into a cooperative agreement with the Calcasieu Parish Police Jury to provide for an annual contribution of \$100,000 from the Burton Coliseum and Agricultural Services tax for a period of ten (10) years beginning January 1, 2004.

NOTE 12 - CONSTRUCTION COMMITMENTS

Construction is ongoing for the multi-purpose outdoor arena stall barns. The total contracted amount to complete construction with change orders is \$731,073. Of this, \$255,808 was outstanding at June 30, 2005.

NOTE 13 - ECONOMIC DEPENDENCY

The Authority relies on the appropriation from the State of Louisiana from the Hotel Occupancy Tax funds to provide for the payment of bond principal and interest. If the State does not continue to appropriate funds for the Authority, their ability to retire their debt would be significantly affected.

NOTE 14 - LEASES

The Authority leased the facilities for its offices on a month-to-month basis, which ended in January 2005 when the offices were moved to the arena. Lease expense for the office facilities was \$1,568 for the year ended June 30, 2005.

Note 15 - BOARD PER DIEM

The members of the governing board received no per diem for the year ended June 30, 2005.

McMullen and Mancuso

Certified Public Accountants, LLC

P.O. Box 202

Lisa F. McMullen, CPA

3600 Mapleswood Drive

Telephone (337) 625-5054

Pamela C. Mancuso, CPA

Sulphur, Louisiana 70663

Fax (337) 625-5849

**Report On Compliance And On Internal Control
Over Financial Reporting Based On An Audit Of Financial Statements Performed In Accordance With
Government Auditing Standards**

To the Board
West Calcasieu Community Center Authority
Sulphur, Louisiana

We have audited the basic financial statements of Calcasieu Parish Community Center Authority as of and for the two year ended June 30, 2005, and have issued our report thereon dated January 4, 2006. We conducted our audit in accordance with generally accepted auditing standards, and the standards applicable to financial audits in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

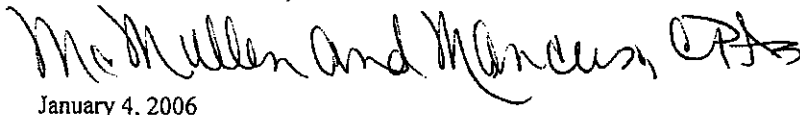
As part of obtaining reasonable assurance about whether Calcasieu Parish Community Center Authority financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that is required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Calcasieu Parish Community Center Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information and use of management; others within the Board, the Board of Directors and the Legislative Auditor and is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record and its distribution is not limited.

McMullen and Mancuso, CPAs



January 4, 2006

Members

American Institute of Certified Public Accountants
Louisiana Society of Certified Public Accountants

WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA

SUPPLEMENTAL INFORMATION SCHEDULES
For the Year Ended June 30, 2005

Prior Audit Findings

The follow-up and corrective action taken on all prior audit findings is presented in the summary schedule of prior audit findings (Schedule 1).

Current Audit Findings

There were no audit findings in the current year.

**West Calcasieu Parish Community Center Authority
Calcasieu Parish, Louisiana**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2005

We have audited the financial statements of the West Calcasieu Parish Community Center Authority, a component unit of the State of Louisiana, as of and for the year ended June 30, 2005, and have issued our report thereon dated January 4, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2005 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses ☐ Yes ☒ No Other Conditions ☐ Yes ☐ No

Compliance

Compliance Material to Financial Statements ☐ Yes ☒ No

Section II Financial Statement Findings:

There were no current year financial statement audit findings.

**West Calcasieu Parish Community Center Authority
Calcasieu Parish, Louisiana**

SCHEDULE OF PRIOR YEAR FINDINGS

Year Ended June 30, 2005

SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS	
There were no prior year findings related to internal control of and compliance material to the financial statements.	
SECTION II - MANAGEMENT LETTER	
2004-01 Computer Back up Procedures	Resolved.

THIS SCHEDULE HAS BEEN PREPARED BY MANAGEMENT

**West Calcasieu Parish Community Center Authority
Calcasieu Parish, Louisiana**

MANAGEMENT'S CORRECTIVE ACTION PLAN

Year Ended June 30, 2005

SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS	
There were no current year findings related to internal control of and compliance material to the financial statements.	
SECTION II - MANAGEMENT LETTER	
ML 2005-1 - Obtain Fidelity Bond Coverage It is recommended that the Authority obtain fidelity bond coverage.	Management will obtain informaton on fidelity bond insurance and present to the Board.
ML 2005-2 - Deposit Receipts on a Timely Basis It is recommended that the Authority deposit receipts on a timely basis.	Management will implement procedures to ensure deposits are made on a timely basis.
ML 2005-3 - Reconcile Accounts to Supporting Documentation It is recommended that the bank reconciliations be reconciled to the monthly cash general ledger balances.	Management has implemented procedures to ensure the bank reconciliations are reconciled to the monthly cash general ledger balances.
ML 2005-4 - Use of Gift Cards It is recommended that any gift cards received be used for government expenses only.	Management will use any gift cards received in the future for government expenses only.

THIS SCHEDULE HAS BEEN PREPARED BY MANAGEMENT

McMullen and Mancuso
Certified Public Accountants, LLC
P.O. Box 202

Lisa F. McMullen, CPA
Pamela C. Mancuso, CPA

3600 Maplesoad Drive
Sulphur, Louisiana 70663

Telephone (337) 625-5054
Fax (337) 625-5849

MANAGEMENT LETTER

To the Board of Directors
West Calcasieu Parish Community Center Authority
Sulphur, Louisiana

We have audited the financial statements of the West Calcasieu Parish Community Center Authority, a component unit of the State of Louisiana, as of and for the year ended June 30, 2005, and have issued our report thereon dated January 4, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

As part of our examination, we have issued our report on the financial statements, dated January 4, 2006, and our report on internal control and compliance with laws, regulations, and contracts, dated January 4, 2006.

During the course of our examination, we became aware of the following matters which represent immaterial deviations of compliance or suggestions for improved internal controls.

ML 2005-1 – Obtain Fidelity Bond Coverage

We noted the Authority has no fidelity bond covering employees handling cash (either its receipts or disbursements) or holding positions of trust. In general, internal controls are designed to safeguard assets and help prevent losses from employee dishonesty. However, the cost of maintaining internal controls sufficient to prevent all such losses would be prohibitive. Accordingly, insurance, such as fidelity bonds, may be a practical, relatively inexpensive supplement to internal control. The following types of coverage are available:

- Schedule bond - used where the employer needs to cover only certain named employees.
- Blanket bond - covers all employees, including automatic coverage for new employees.
- Position bond - covers specific positions rather than certain named employees.

We believe that this type of protection is particularly desirable safeguard against loss through theft or misappropriation, and we recommend that it be considered.

ML 2005-2 – Deposit Receipts on a Timely Basis

Cash receipts are not being deposited on a timely basis. At the present time, the Executive Director and /or bookkeeper accumulate receipts in the front drawer and do not make daily, or regular deposits. As a result, not only is there risk of loss from burglary, misplacement, or misappropriation, but the cash is not available for expenditures. We recommend that deposits be made on a daily basis to improve cash flow and to reduce the risk of loss.

Members
American Institute of Certified Public Accountants
Louisiana Society of Certified Public Accountants

ML 2005-3 – Reconcile Accounts to Supporting Documentation

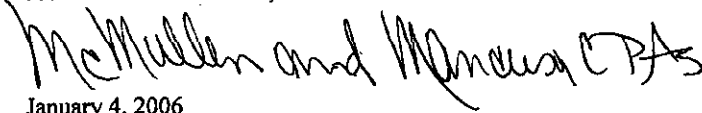
In order to make the financial reports generated by the accounting system as meaningful as possible, the Authority should reconcile the general ledger accounts for cash to supporting documentation on a monthly basis. A benefit of monthly reconciliations is that errors do not accumulate but can be identified and attributed to a particular period, which makes it easier to perform future reconciliations. A cash reconciliation that reconciles from the bank balance to the general ledger balance should be prepared to determine that all cash transactions have been recorded properly and to discover bank errors.

ML 2005-4 – Use of Gift Cards

During the course of the audit, it was noted that gift cards were given to an employee for personal use. The Authority received bonus gift cards from a vendor as a certain level of business was conducted with that vendor. The cards were then given to an employee as a bonus. Because a government employee cannot receive extra for doing his/her job, the distribution of these bonus gift cards to employees is prohibited. We recommend that any gift cards received in the future be recorded as other income upon receipt and be used only by the Authority for government expenses.

We recommend management address the foregoing issues as an improvement to operations and the administration of public programs. We are available to further explain the suggestions or help implement the recommendations.

McMullen and Mancuso, CPAs

A handwritten signature in black ink that reads "McMullen and Mancuso CPAs". The signature is written in a cursive, flowing style.

January 4, 2006